

Nurses' Association has prepared two folders, called "Wanted, a Real Nurse, an R.N." and "Safe Nursing Care and Where to Ask for It." Copies of them are enclosed. They discuss briefly the significance of the term "Registered Nurse" and suggest how to secure the type of nursing service which may be needed.

Physicians may secure copies of the folders from the Nursing Information Bureau, 50 West Fiftieth Street, New York City. We would be glad to have you advise them of this offer through your magazine.

Sincerely yours,

MARY M. ROBERTS,  
Director, Nursing Information Bureau.

**Subject: Letter of appreciation for health lectures.**

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
SAN FRANCISCO

October 17, 1938.

George H. Kress, M. D.,  
Secretary, California Medical Association.

My dear Doctor Kress:

I wish to express our appreciation for your coöperation in setting up our series of health lectures for this fall. The list of speakers and their subjects is very satisfactory. It is always amazing to me that such busy and important doctors can give their time to help us with our community health education projects.

We do want to thank you for arranging it for us. If at any time we can aid you in any way, please know we will be only too happy to do so.

620 Sutter Street.

Sincerely yours,

DORIS MCFARLAND,  
Associate Director, Health and  
Recreation Department.

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The subjects and names of speakers follow:

October 13—Cosmetic and Facial Blemishes, Laurence Taussig.

October 20—Eyes, George N. Hosford.

October 27—Medical Examinations, Donald Carson.

November 3—Menstruation and Its Disorders, Harold G. Watson.

November 10—Cancer, Ludwig Emge.

November 17—Venereal Diseases, E. K. Stratton.

**Subject: Legal status of physicians under the Workmen's Compensation Act of California.\***

San Francisco, October 18, 1938.

George H. Kress, M. D.,  
Secretary, California Medical Association,  
450 Sutter Street,  
San Francisco, California.

Re: Pacific Employers' Insurance Company vs. Industrial Accident Commission and Kenneth Tator.

Dear Doctor:

The above-entitled action, which was decided several months ago by the California Supreme Court in favor of the injured employee, Tator, and Drs. J. Scott Quigley, Ergo A. Majors, and N. Austin Cary, and against the Compensation Insurance Company involved, has been appealed to the United States Supreme Court. Yesterday,

October 17, the Supreme Court of the United States granted a writ of certiorari, which means that it will hear the case later this fall.

I am this day informing the doctors concerned regarding the action of the United States Supreme Court.

111 Sutter Street.

Very truly yours,

HARTLEY F. PEART.

## MEDICAL JURISPRUDENCE†

By HARTLEY F. PEART, ESQ.

San Francisco

### Corporate Practice of Medicine: A Discussion of the Recent Decision of the California Supreme Court Denying to Capital Stock Corporations the Right to Control or Select Physicians

In December, 1935, the District Court of Appeal for the First Appellate District, decided in *Pacific Employers Ins. Co. vs. Carpenter*, 10 Cal. App. (2d) 592, that an insurance company could not lawfully issue a medical and surgical insurance policy under the terms of which the insurance company would furnish to its policyholders medical and surgical services through certain designated physicians. The District Court of Appeal held that neither a corporation nor any other unlicensed person may engage directly or indirectly in the practice of medicine and from this premise reasoned that it was likewise contrary to the law for an insurance company to undertake to furnish to its policyholders the professional services of physicians and surgeons designated, selected or employed by it.

A few months later the District Court of Appeal for the second Appellate District, in *Benjamin Franklin Life Assurance Co. vs. Mitchell*, 14 Cal. App. (2d) 654, also held that an insurance company could not lawfully issue a policy of insurance under which medical services would be rendered to policyholders through physicians in effect selected by the company. In this case the insurance policy proposed to be issued apparently provided for freedom of choice of physician by the policyholder, but at the same time policyholders were required to execute a proxy to a committee of company officers under the terms of which the committee selected the physician to render services.

After the foregoing decisions of the District Court of Appeal, it was generally considered by legal writers (Notes, 25 Cal. Law Rev. 91; 10 So. Cal. Law Rev. 329; 30 Ill. Law Rev. 533), that in California, at least, it was firmly settled that a private corporation could not engage in the practice of medicine. It was further generally assumed that it was also the law that a corporation or any other unlicensed person which attempted to designate or select a physician and surgeon to whom patients must go in order to receive the benefits of a contract, was in effect practicing medicine and surgery in violation of the rule forbidding corporate practice.

However, at least one corporation organized for profit and engaging in the business of selling membership certificates entitling the holder to medical and surgical services only from physicians selected by the corporation, evidently felt that the last judicial word had not been said on the subject. The corporation mentioned, *i. e.*, Pacific Health Corporation, continued to issue membership certificates and to furnish medical services through designated or selected physicians. Thereupon, the Attorney-General's office, acting on the relation of the Board of Medical Examiners,

\* Under this caption this subject was discussed in the Medical Jurisprudence department of CALIFORNIA AND WESTERN MEDICINE, in its issue of March, 1938, on pages 215 and 216.

† Editor's Note.—This department of CALIFORNIA AND WESTERN MEDICINE, presenting copy submitted by Hartley F. Peart, Esq., will contain excerpts from and syllabi of recent decisions and analyses of legal points and procedures of interest to the profession.